

**DRAFT**

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Telecommunications Division  
Market Structure Branch**

**RESOLUTION T-16682  
August 22, 2002**

**RESOLUTION**

RESOLUTION T-16682. ROSEVILLE TELEPHONE COMPANY (U-1015-C). ORDER ACCEPTING SUBJECT TO REFUND ANNUAL INTRASTATE EARNINGS ADVICE LETTER FILING IN COMPLIANCE WITH DECISION 96-12-074.

BY ADVICE LETTER NO. 680 FILED ON APRIL 2, 2002.

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**SUMMARY**

This Resolution accepts Roseville Telephone Company's (RTC) intrastate earnings advice letter filing subject to any corrections, adjustments, or refunds that may be appropriate as a result of any Commission decision.

**BACKGROUND**

**New Regulatory Framework (NRF)**

Decision 96-12-074 established a NRF program for RTC similar to that of Pacific Bell and GTEC (now Verizon).

**RTC'S ANNUAL RATE OF RETURN FILING**

Pursuant to D. 96-12-074 RTC filed its Annual Intrastate Earnings advice letter, which is to be filed every April 1 for the purpose of reporting its actual rate of return, and the market-based, benchmark, ceiling, and floor rates of return last found reasonable. RTC reported an actual intrastate ROR for the year 2001 of 10.37%. Other references reported in Pacific's filing included the following rates of return:

Market-Based	10.00%
Benchmark	11.50%
Ceiling	15.00%

### **NOTICE/PROTESTS**

RTC states that copies of Advice Letter No.680 had been mailed to interested parties. Notice of Advice Letter No.680 was noticed in the Commission's Daily Calendar of April 5, 2002.

ORA protested AL 680 on April 18, 2002. ORA recommended that the Commission reject RTC's AL until a decision is reached in I. 01-04-026, as the findings may affect RTC's 2001 ROR. Alternately, ORA asks that RTC be required to file a supplement to AL 680 when the Commission decides I. 01-04-026.

RTC responded to ORA's Protest on April 29, 2001 stating that ORA had not pointed out any deficiencies with the Advice Letter. RTC claimed that I. 01-04-026 did not suspend the requirements of D.96-12-074, and further stated that their 2001 earnings are not a subject of I. 01-04-026. RTC asked that ORA's protest be rejected.

### **DISCUSSION**

RTC's intrastate earnings advice letter has been properly filed in accordance with Ordering Paragraph (OP) 7 of D. 96-12-074, so there is no reason to reject it. Additionally, the Commission has no reason to order a supplement at this time. We do not know what effect, if any, the outcome of I.01-04-026 will have on RTC's reported 2001 ROR.

However, in order to preserve the Commission's options, RTC's reported ROR will be accepted subject to any corrections, adjustments, or refunds that may be appropriate as a result of any Commission decision.

The draft resolution of the Telecommunications Division in this matter was mailed to the parties in accordance with PU Code Section 311 (g)(1). Comments were filed on (date) by (names of parties) and reply comments were filed on (date) by (names of parties). [disposition of comments/revisions to draft resolution].

### **FINDINGS**

- 1) Advice Letter No. 680 was filed in a timely manner.
- 2) RTC reports that for the year 2001 they earned a ROR of 10.37%.
- 3) ORA filed a timely protest.
- 4) RTC's intrastate earnings advice letter was filed in accordance with OP 7 of D. 96-12-074.
- 5) RTC's 2001 ROR should be accepted subject to any corrections, adjustments, or refunds that may be appropriate as a result of any Commission decision.
- 6) The reference RORs are as follows:
  - Market-Based – 10.00%
  - Benchmark – 11.50% (+ 150 basis points)
  - Ceiling – 15.00% (+ 500 basis points)

**THEREFORE IT IS ORDERED THAT:**

1. RTC's Annual Intrastate Earnings advice letter reporting its rate of return for the year 2001 shall be accepted subject to any corrections, adjustments, or refunds that may be appropriate as a result of any Commission decision.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on August 22, 2002. The following Commissioners approved it:

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WESLEY M. FRANKLIN  
Executive Director